

**HIGHER EDUCATION OPERATING BUDGET INSTRUCTIONS SUPPLEMENT  
2007-2009 BIENNIUM**

**OFFICE OF FINANCIAL MANAGEMENT  
June 2006**

These 2007-2009 operating budget development instructions are in addition to OFM's April 2006 Operating Budget Instructions, Part 2. The information requested below expands on the April 2006 instructions. If a section is not referenced, there are no additional comments or exceptions to the April 2006 instructions.

This information is needed in order to:

- 1) Update the Tuition and Enrollment Change Model (TECM). House, Senate and OFM staff plan to use this model to estimate the financial impact of 2007-09 tuition changes. We also plan to modify and update the model to calculate new enrollment costs with inputted rather than historical costs. As in the past, the Legislative Evaluation and Accountability Project (LEAP) committee will need data from you in order to update the model. Please provide LEAP with this information when you submit your budget request on September 1.
- 2) Assist the collective bargaining process by helping OFM certify the financial feasibility of agreements reached with bargaining units on higher education campuses.
- 3) Understand how each campus uses financial aid and tuition waivers.
- 4) Collect consistent information regarding the enrollment growth and degree production proposed by each institution.
- 5) Provide clear guidance regarding requests for Maintenance & Operations funding.
- 6) Update our information on non-appropriated and local funds (149, 148, 145, etc.).

## **Section 1: The Recommendation Summary**

Please submit recommendation summaries for each institution and each campus (main and branch) showing all budgeted funds (See list below). Program level summary information should show all budgeted funds for each institution as a whole, and also for each branch campus.

### **BUDGETED FUNDS**

001	State General Fund
120	Administrative Contingency Account
149	Tuition Funds
143	Federal Funds
145	Grants and Contracts
148	Dedicated Local Funds
443	Data processing Account
505	Hospital Funds
608	Accident Account
609	Medical Aid Account
03K	Industrial Insurance Premium Refund Account
788	Advanced College Tuition Payment Program

## **Section 2: Salary, Pension and Insurance Reports**

As you know, OFM is currently collecting salary and FTE information for the Compensation Impact Model (CIM), which has replaced the traditional B-6, B-6I, and B-6P approaches to establishing agency compensation bases. It is important that CIM data be as complete and accurate as possible, as it will be used to calculate your 2007-09 salary, health benefit, and pension cost increases. With assistance from LEAP, OFM is testing the reliability of the CIM data that has been submitted by each institution, and will be contacting you to arrange for prompt resolution of apparent discrepancies.

As you know, for a number of years, Section 601 of the biennial appropriations acts has required that all locally-funded salary increases not authorized by the those acts be excluded from the compensation base used for calculation of future state-supported salary increases. Unfortunately, the CIM design and initial instructions did not provide for compliance with these statutory requirements. Therefore, please identify the estimated FY 2006 cumulative value of such increases on Attachment A. On the form, please show only (a) the estimated locally authorized incremental cost that (b) was reported as a GF-S or tuition-funded cost on your institution's CIM submission. To assist with this effort, included below is a link to the 1997 – 2005 locally authorized salary amounts estimated by your institution on your 2005 B6 submission.

[Compensation 2005-07 B6 Submissions](#)

### **Section 3: Other Budget Reports**

#### **LOCAL FUND SUMMARIES**

For fund 148, please report each revenue source separately.

### **Section 4: Decision Packages**

All decision packages should specifically and sequentially address each bulleted item enumerated on pages 32-34 of the Part 2 Operating Budget Instructions:

[http://www.ofm.wa.gov/budget/instructions/operating/2007\\_09/sec4.pdf](http://www.ofm.wa.gov/budget/instructions/operating/2007_09/sec4.pdf)

Particularly important are the distinction between one-time and ongoing costs, and providing specific expenditure assumptions and calculations. Decision packages that lack such information are less credible and effective.

### **Special Reports**

#### **COLLECTIVE BARGAINING AGREEMENTS**

For any collective bargaining agreement that is not negotiated by the Governor's Labor Relations Office, OFM must certify that the cost is financially feasible for the state. In order to provide this certification, OFM needs certain information from the institution.

1. A copy of the agreement reached between the institution and each bargaining unit;
2. Each negotiated bargaining agreement should be submitted as a separate decision package, with a brief statement which shows the various components of the agreement and your cost estimate for each component;
3. Recsum title should be clearly labeled with the name of the bargaining unit.
4. Contact information for a person who can speak about these calculations and discuss them with OFM; and
5. The following information for each compensation adjustment:

<i><b>Contract Item</b></i>	<i><b>Information Required</b></i>
Across the board increase, entire bargaining unit(s)	Amount of increase, effective date, end date (if any), applicable bargaining unit(s).
Increase for specific job classes	Same as across the board, plus job class codes and job titles
Assignment pay, special skills pay, shift differentials, locality or geographic pay	Same as increase for specific job classes, plus names and ID numbers of affected staff, number of hours per year of expected special/assignment pay for each staff member.
Longevity pay (increase after certain years of service), seniority pay (increase after certain years in job class), additional leave time	Same as increase for specific job classes, plus names and ID numbers for affected staff members.

For other types of compensation changes, or for additional information, please contact Jane Sakson (360-902-0549) or Pam Davidson (360-902-0550).

## **TUITION WAIVERS**

- For 2005-06, please provide headcounts and actual dollars waived per type of waiver. Cite the RCW reference for each waiver type. Please use Attachment B-1.
- Please also provide projected headcounts and dollars waived per each waiver for academic years 2007, 2008, and 2009.
- For 2005-06, please provide headcounts and actual dollars waived by purpose. Please use Attachment B-2.
- Please provide projected headcounts and dollars waived for academic years 2007, 2008, 2009 by purpose.
- For 2004, 2005, 2006 and 2007 please provide the federal financial aid received. Please use Attachment B-3.

## **2007-09 STUDENT FTE ENROLLMENT REQUESTS**

- Following **Attachment C**, for four year schools (not including branch campuses and off-campus learning centers), specify enrollment requests by lower division, upper division, graduate, and professional level, by year. **Please identify the degree programs that would receive the new FTEs.**
- Branch campuses and Off-Campus Learning Centers: specify proposed enrollment growth by lower-division, upper division, or graduate levels, by degree program, by year.
- Community and Technical Colleges: specify proposed enrollment growth by academic transfer track, vocational track, or basic skills, by year. Please also provide a separate attachment showing the estimated distribution of the planned enrollment growth by college.
- To help assure the accuracy of future compensation bases, please identify the number of FTE staff associated with each proposed level and type of enrollment growth.
- In your decision package, for each type of proposed enrollment growth, please clearly and completely explain the basis for the proposed enrollment cost per FTE.

## **DEGREE PRODUCTION GOALS**

As you know, the Higher Education Coordinating Board has recommended that, for the 2007-09 biennium, progress on degree production targets and on biennial performance improvement plans should replace budgeted enrollment levels as the measures for which institutions are held accountable. Consistent with that recommendation:

- On **Attachment D**, please provide actual, anticipated, and proposed degree production by academic level and year. 2007-09 proposed levels should account for actual 2005-07 and proposed 2007-09 enrollment growths, and for planned improvements in retention rates and time-to-degree performance.

## **CALCULATIONS IN SUPPORT OF REQUESTED OPERATIONS AND MAINTENANCE FUNDING FOR NEW BUILDINGS COMING ON LINE IN 2007-09**

- Please provide the information requested on Attachment E separately for Maintenance Level and for Performance Level requests, if any. At Maintenance Level, institutions may propose state support for operations and maintenance costs associated with facilities coming on line in 2007-09 that were constructed or expanded with direct financial support from the state capital budget. At Performance Level, institutions may request, and the Governor and Legislature may decide to provide, state support for instructional or research facilities that were constructed with non-state funds, particularly those for which prior authorization has been provided in a previous capital or operating budget.
- Please include the capital project number associated with each facility for which funding is requested. If proposed operations and maintenance costs, facility square footage, or intended use differ measurably from amounts identified on the capital project C-2 form, please include a complete explanation for the variance in your decision package, and a justification for why any amounts higher than identified on the C-2 should be supported.
- Please also explain in your decision package how the proposed cost per square foot was estimated. Please provide separate explanations regarding how utility, routine maintenance and custodial costs were estimated.

- If funding is being requested for a facility that is replacing older space, please explain in the decision package (1) how previous costs have been netted out of the proposed increase; and (2) why maintenance and operation of the new facility is expected to be more expensive than the old.
- If funding is being requested for a renovated facility, please explain in the decision package why maintenance and operation of the renovated facility is expected to be more expensive than the old.

## DATA FOR UPDATING THE TUITION AND ENROLLMENT CHANGE MODEL (TECM): FOUR YEAR COLLEGES AND UNIVERSITIES

To keep the model reflective of changes in student mix, we request the following information from you for the 2005-06 academic year. We need your response by September 1 so that LEAP can distribute a base model for use by universities, colleges, OFM and legislative fiscal staff by early October.

Here's a list of the elements we need from each institution (for each branch, if applicable):

1. Actual average annual 2005-06 headcount distribution by credit hour for students enrolled in courses for which the tuition revenue was deposited in fund 149. By “average annual” we mean fall, winter and spring terms, not summer. Include enrolled students who received waivers under statute **RCW 28B.910 (2)**. Please complete the table below, **by branch**, for each applicable student category: Undergraduate, Graduate Business, Other Graduate, Professional, Law, Pharm D, and WSU Graduate Nursing. Summarize students taking 25 or more hours on the 25 credit hour line. **The University of Washington is asked to provide a profile that details the 2005-06 credit hours for “Other Graduate” students by “Tiers”.**

	Undergraduate		Graduate Business		Other Graduate		Professional		Law		Pharm D		Graduate Nursing	
Credit Hours	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
25														
24														
23														
22														
21														
20														
19														
18														
17														
16														
15														
14														
13														
12														
11														
10														
9														
8														
7														
6														
5														
4														
3														
2														
1														

2. Actual Annual Average FTEs and Headcounts by student category (undergraduate, graduate, professional, and law) for fall, winter, spring 2005-06. Fill in the table below **for each branch**. **The University of Washington is asked to provide FTE and Headcounts for “Other Graduate” students by “Tiers”.**

	Actual FTE		Actual Head Count	
	Resident	Non-Resident	Resident	Non-Resident
Undergraduate				
Graduate Business				
Other Graduate				
Professional				
Law				
Pharm D				
Graduate Nursing (WSU)				

3. Actual Fund 149 Revenue Collections, Interest Earnings and Transfer Payments for fall, winter, spring 2005-06. Please fill in the table below for **each branch**.

<b>Fund 149 – Fall, Winter, Spring 2005-06</b>	<b>Branch or Campus:</b>
<b><u>Net operating fee collections</u></b>	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer	\$

4. Tuition fees charged to full-time students for the academic year 2005-06 (as defined in chapter 28B.15 RCW). Please fill in the table below for **each branch**. Did your governing board approve tuition adjustments that depart from the schedule below for factors such as time-of-day or day-of-week for a course, or for different course delivery methods? If so, please add the category to the left column and provide the fee information.

	<b>Tuition Operating Fee</b>	<b>Tuition Building Fee</b>	<b>Service &amp; Activities Fee</b>
Undergraduate – <b>Resident</b>			
Undergraduate – Non Resident			
Grad. Business– <b>Resident</b>			
Graduate Business –			



Non Resident			
Other Graduate <b>Resident</b>			
Other Graduate Non Resident			

	<b>Tuition Operating Fee</b>	<b>Tuition Building Fee</b>	<b>Service &amp; Activities Fee</b>
Professional – <b>Resident</b>			
Professional – Non Resident			
Law – <b>Resident</b>			
Law – Non Resident			
Pharm D - <b>Resident</b>			
Pharm D – Non Resident			
Graduate Nursing - <b>Resident</b>			
Graduate Nursing – Non Resident			

5. Actual Operating Fee Waivers **by branch** for fall, winter, spring 2005-06, excluding space available waivers.

**Please send your TECM Special Reports directly to Kathy Barnett at the LEAP Committee.** She can be reached at "barnett\_ka@leg.wa.gov". Kathy would appreciate your response in the text of an e-mail message or in a spreadsheet file, whichever is more convenient. Again, we ask that institutions provide this data September 1 so that a 2007 base version can be available by early October.

## DATA FOR UPDATING THE TUITION AND ENROLLMENT CHANGE MODEL: COMMUNITY AND TECHNICAL COLLEGES

To keep the model reflective of changes in student mix, we request the following information from you for the 2005-06 academic year. We need your response by September 1 so that LEAP can distribute a base model for use by the SBCTC, OFM, and legislative fiscal staff by early October.

Here's a list of the elements we need for the Community & Technical College System:

1. Actual average annual 2005-06 headcount distribution by credit hour for **Community College** students enrolled in courses for which the tuition revenue was deposited in fund 149. Include enrolled students who received waivers under statute **RCW 28B.910 (2)**. Summarize students taking 25 or more hours on the 25 credit hour line.

Community Colleges		
Credit Hours	Resident	Non-Resident
25		
24		
23		
22		
21		
20		
19		
18		
17		
16		
15		
14		
13		
12		
11		
10		
9		
8		
7		
6		
5		
4		
3		
2		
1		

2. Actual Annual Average FTEs and Headcounts by student category for 2005-06. Please fill in the table below.

	Actual FTE		Actual Head Count	
	Resident	Non-Resident	Resident	Non-Resident
Credit-Hour Colleges				
Clock-Hour Colleges				

3. Share (as a percentage) of system-wide new enrollments at **Colleges Using Credit Hours** and **Colleges Using Clock Hours** for 2005-06. Please fill in the box below.

2005-06 New Enrollment Percentage		
	FTE	%
Credit-Hour Colleges		
Clock-Hour Colleges		
Total		100%

4. Total 2005-06 Clock Hours at **Colleges Using Clock Hours**.
5. Budgeted 2005-06 FTEs at **Colleges Using Clock Hours** by student category: (1) State, (2) Work Force.
6. Actual 2005-06 Average Revenue per Clock Hour at **Colleges Using Clock Hours**.
7. Actual (Operating Fee) Revenue Collections, Interest Earnings and Transfer Payments. Please fill in the table below

2005-06	Colleges Using Credit Hours
<b>Net operating fee collections</b>	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer	\$

2005-06	Colleges Using Clock Hours
<b>Net operating fee collections</b>	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer	\$

Tuition fees charged to full-time community college students for the academic year 2005-06 (as defined in Chapter 28B.15 RCW). Please fill in the table below. Did the State Board approve tuition adjustments that depart from the schedule below for factors such as time of day or day of week for a course, or for different course delivery methods? If so, please include that information in the table.

<b>Resident</b>			
<b># of Credits Hours</b>	<b>Tuition Operating Fee</b>	<b>Tuition Building Fee</b>	<b>Service &amp; Activities Fee</b>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Non-Resident			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service & Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

8. Actual Operating Fee Waivers for 2005-06, excluding space available waivers.

**Please send your response to Kathy Barnett at the LEAP Committee.** She can be reached at "barnett\_ka@leg.wa.gov". Kathy would appreciate your response in the text of an e-mail message or in a spreadsheet file, whichever is more convenient.

Again, OFM and legislative fiscal committees would appreciate your response by September 1st so that LEAP can distribute a base model for use by the SBCTC, OFM and legislative fiscal staff by early October.